

Harmony and Disharmony in the Anthracite Coal Fields, 1876-1877

By

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Labor/management relations in the anthracite fields of northeastern Pennsylvania, in the period 1876--July 1877, were unsettled, but stable, with both labor and management now strengthening their positions: labor, by its alignment with organizations such as the Workmen's Benefit Association; management, by the anthracite producers all agreeing to work together, to establish production quotas, to diminish the supply of coal by taking measures to prevent over-stocking the market, and to keep the price of coal up in the market. Both groups, in addition, most importantly, now recognized and understood that their respective positions would be strengthened if all members of each group spoke with one voice for the entire group.

In June 1876, the anthracite coal producers made it known that, given the sluggish/weak market conditions at the time, a suspension of mining operations was forthcoming. In the *Carbondale Leader* of June 10, 1876, we read: "Another suspension of mining operations is in order. These things are so fashionable during the Centennial year that no one is at all surprised when the announcement is made. The present suspension, which is quite general throughout the coal fields, began on Monday, and will doubtless continue until the first of August, although as to that no one can presume to speak with any degree of certainty. In this vicinity there will probably be no mining for some time to come. The D. & H. C. Co.'s mules, which are used in all its mines in and near Carbondale, have been sent out to grass, and, in the opinion of 'old stagers,' who claim to know a thing or two about the sly and secret movements of the Company's servants, they will not be brought back again until the first day of August, if they are then. "

Three months later, on August 21, 1876, the anthracite coal combination (called "the monopoly" by some) was dissolved. The various coal companies in the combination could then sell their coal at whatever price they chose.

Weak Market Conditions: In early September 1876, given the weak market, a considerable number of workers were discharged from the D&H Canal Company's shops, and the wages of those who remained were reduced. In addition, the D&H miners were put on half time and the railroad men upon two-thirds time for the remainder of the winter. In mid-September, coal stocks on the New York stock market tumbled at a fearful rate, and it was believed by some that the coal companies would not be able to pay any dividends for several years to come. Remarkably, by mid-September, the market for anthracite coal was again strong. In the September 16, 1876 issue of the *Carbondale Advance*, we read: "Work in the mines, in the shops, and on the railroads here, is now going on very well. The countenances of all our people are more cheerful."

In March 1877, the *Carbondale Leader* (which had a well known anti-D&H and a pro-labor bias) referred to the D&H as a monopoly that "keeps its miners in a state of continual anxiety, now suspending, now working for a month, and then again throwing them out of employment for months at a time. This usage is discouraging in the extreme, and the miners now out of work know not what to do. The monopoly, when it suspends at any particular works, never stoops to tell the

miners how long they have got to remain idle; and when the monopoly makes up its mind to resume, it gives the men but a day's notice. The miners are treated as brutes by the D. & H. C. Co., which seems to have no regard for either their welfare or their feelings. As long as the company sees fit to stop work, it ought to be decent enough to tell the men how soon thereafter they can expect work again." (*Carbondale Leader*, March 10, 1877, p. 3)

During 1877, the depression of that decade reached its lowest point, marked by repeated wage reductions, particularly among the railroads. In the period June 15, 1877—July 15, 1877, no coal was mined by the D&H or shipped by the Gravity Railroad.

Miners on Strike: July 28, 1877--October 18, 1877: On July 28, 1877, the miners went on strike. This strike was under the auspices of the Knights of Labor, then a new organization, which was gathering mighty strength every day. There had been agitation among the miners for many weeks, but the stoppage was precipitated by the general strike of the railroad men, which occurred in July, paralyzing for a time the business of the country. The miners were idle perforce, there were no facilities to ship their coal, and so they struck. In a few days the railroad troubles were adjusted. The miners remained out.

The headquarters of the strikers was in Morgan's hall, on the West Side of Scranton. /. From this headquarters words of encouragement were sent out to the strikers. Relief committees were organized, and solicitors went out through the city soliciting aid. The poor board co-operated with the relief committee in establishing a relief store on Lackawanna Avenue. The miners held frequent meetings at the round woods, at which there were stirring addresses. Hon. T. V. Powderly, the late James R. Hickey and the late Joshua R. Thomas were among the leading speakers. Late in October a big demonstration was arranged. The men paraded through the streets, bearing banners, with such legends as "Solid for Six Months". The speeches were appeals to the miners to stand firm. They were greeted enthusiastically.

A very good description of this peaceable strike was published in the *Carbondale Leader* of August 4, 1877: **"THE MINERS' PEACEABLE STRIKE. / ALL THE MINERS IDLE BUT ALL OF THEM QUIET AND ORDERLY—THE CAUSE OF THE STRIKE—ALL THE SHOPMEN SUSPENDED.** / All the Delaware and Hudson Canal Company's mines in the valley have been idle since Saturday, and are likely to remain so for some time to come unless the company allows the increase of wages which the miners have justly asked for, and which they need in order to live as they ought to be permitted to live. For the past year the wages of the hard-worked miners have been gradually reduced, until now they are scarcely able to earn enough to buy flour for their families. The reductions have been made from time to time—ten percent in one month, and again ten percent a month or two after—so that when the past spring arrived the wages were so far below living wages as to make the miners think seriously of striking for that which they really deserved and needed. After three or four reductions had been made, the company, feeling somewhat ashamed to come out boldly and dock the miners another ten percent, commanded that they should mine 2,700 pounds of coal for a ton [emphasis added].... The number of men and boys all told who have been out of employment this week in this immediate vicinity is probably not far from two thousand [emphasis added]. A few of this large number have been able to find employment for a time at some other work, but the proportion is very small. The majority of the strikers can live very cheaply, for most of them have cows and gardens [emphasis added]. / We remember

never to have experienced so quiet a time in Carbondale as at present, and we doubt if all lines of business have been so dull in many a year as they are now. Let us hope, however, that it will not long continue as it is." (*Carbondale Leader*, August 4, 1877, p. 3)

In 1877 the D&H was forced to discontinue the payment of dividends (dividend payments were resumed in 1881), and during four years the owners of its share capital received no return. Thomas Dickson, speaking of the year 1879, stated: "The year 1879 will be remembered as marking the lowest prices ever known in the history of the coal trade. These were caused by over-production, a necessary result of the fatuous desire of managers to obtain large tonnage and consequent prominence in the trade."

On Saturday, October 6, 1877, a public meeting was held at Carbondale City Hall, at which John B. Chisholm, the representative of the miners, reported on his meeting with D&H President Thomas Dickson about the state of affairs and the request by the miners for an increase in wages. The response of Thomas Dickson: "PRESIDENT'S OFFICE, DELAWARE & HUDSON CANAL COMPANY, / SCRANTON, Oct. 5, 1877. / In reply to the communication made to me through the committee of miners, I beg to say that we have no new terms to offer; and that in the present condition of the trade it is simply impossible for us to make any advance upon the wages paid in July—and the only hope there is for an advance is in an increase in the market value of coal sufficient to warrant it. / When this advance takes place, the claims of the men will be fully and fairly considered in the future as they have been in the past. / THOS. DICKSON, Pres."

The strike which began on July 28, 1877 came to an end 69 working days later (11 ½ weeks) on October 18, 1877. The miners did not get the raise in wages which they had demanded (if you please), and went to work again. The Gravity Railroad was set in motion on Wednesday the 17th, and the men employed in the shops went to their labors on eight hours per day. The mine cars were oiled on the 17th as well, and other things connected with the mines were put in order. The report by the *Carbondale Leader*, given immediately below, on the end of the strike, concludes with this positive and optimistic statement: "Other parts of the county are in a comparatively flourishing condition, and, now that all of our local industries have once again been set in motion, it is safe to predict that this section will soon enjoy a season of prosperity such as it has not known during the last two years, and that we shall all speedily recover from the depression which the late panic and the more recent strike compelled us to experience and to endure."

In speaking of the end of the strike of 1877, the *Carbondale Leader*, October 20, 1877, in an article titled: THE GREAT STRIKE AT AN END. ALL THE MINERS GO TO WORK AT THE JULY RATE OF WAGES said: "It is needless to review the struggle between capital and labor, any more than to remark that, in this latest attempt to make capital submit to the demands of labor, labor has again been compelled to acknowledge its inability to hold out against capital [emphasis added]. If we can believe what the officers of the railroad companies strenuously maintain—and in the face of things we are obliged to place some credence in what they say—the coal companies cannot possibly pay any larger wages than they paid last summer. When the miners learned that this was so, they did wisely in agreeing to go to work."

An equally enthusiastic and jubilant article on the end of the strike of 1877 and the prospects for the future was published in the *Carbondale Advance* of October 20, 1877. This reasoned and optimistic article concludes with the following statements:

"By industry we thrive, and when work can be obtained at wages even not the most remunerative, this work in time, if persisted in, will certainly bring about a condition of affairs that will be found very acceptable to the workingman. Labor and capital must walk hand in hand. Neither can get along without the other. Capital cannot develop the resources of the country without the assistance of labor; and labor cannot be paid without capital. Then, again, labor produces capital in the course of time. By receiving his wages from the capitalist who employs him, the laborer in very many cases becomes a capitalist, himself, and he in turn is enabled to employ other laborers. So it goes. Industry is wealth."

What was learned from the strike of July 28, 1877—October 18, 1877? The strike of 1877 taught mine workers that while they could, sometimes, gain concessions from small, independent operators, they would be unable to achieve the same successes with the large coal companies. The labor movement needed a strong union able to organize and unify all workers throughout the region in the name of cooperative action. Organization on this scale proved difficult in the decades following 1877, a time of nationwide anti-union sentiment. Coal workers were unable to present a unified front against the combined strength of the operators until the organization of the United Mine Workers (UMW) in 1890.

From the Annual Report for 1877 for the D&H Canal Company: "While speculation as to the probable results of the business of 1878 may be of little value, the fact that the suicidal policy of forcing large quantities of coal upon overstocked markets has been arrested by an arrangement of the producers to limit the supply to the demand augurs well for the future [emphasis added]. / The experience of the last eighteen months has impressed both managers and mine owners with the fact that the laws of supply and demand will not allow the one to be pressed beyond the limits of the other, but require the two to be harmonized... The law of supply and demand cannot be disregarded without derangement of values, and it is idle to maintain that over-supply and remunerative prices can co-exist... By order of the Board. / THOMAS DICKSON, President." (*Carbondale Leader*, March 9, 1878, p. 3)

Following the resolution of the strike of July 28, 1877--October 18, 1877, the D. & H. C. Co., in a demonstration of good faith, paid promptly (two weeks ahead of schedule) its shopmen, miners, railroad men, and other employes for the work which they did in October 1877. The positive consequences of this humanitarian act were widespread in the community. In the *Carbondale Leader*, November 10, 1877, p. 3, we read:

"The D. & H. C. Co. is to be commended for its promptness in paying its shopmen, miners, railroad men, and other employes for the work which they did in October. All the men had been idle for nearly three months, having done no work from July 28 to October 18, and the wages they earned in October, although not quite half a month had been worked, were paid to them on Saturday, November 3. The amount which they received was comparatively small, yet it came as a godsend to them. Many families were entirely out of funds when pay-day came, and many of them were greatly in need of the real necessities of life, and therefore the company did a charitable thing

when it paid so soon after the first of the month, instead of waiting until the 14th or 15th, as is customary when work goes along regularly. The money was used judiciously and expended only for that which the workingmen and their families were really in need of. It made certain classes of business pretty brisk for a day or two, and enlivened many a home. There was very little drunkenness for a pay-day, and the men lost no time as they usually do on pay-days. The amount of money disbursed was of course not large, but it had a perceptible effect on the business of Carbondale, nevertheless.”

Getting Back to Normal/ Harmony Restored: In early December 1877, the movement of coal cars on the Gravity Railroad was incessant, and the cuts of loaded coal cars were sent over the mountain frequently well into the evening: “Judging from the activity which prevails on the gravity road, the Delaware and Hudson Canal Company are evidently determined to get all the coal they can to market, before the close of navigation—the movement of the cars is almost incessant, and frequently extends far into the evening.” (*Carbondale Leader*, December 1, 1877, p. 3)

November 26 and 27, 1877, were outstanding days for shipments of coal from Carbondale to Honesdale: “On Monday 2,073 loaded coal cars were transported over the Gravity Railroad from Carbondale, and on Tuesday 2,216 were received. This was sufficient to load several coal trains on the Honesdale Branch, besides 71 boats on Monday and 70 on Tuesday. Each boat will hold an average of 135 tons. It was the largest number ever loaded from cars, in the same length of time upon our docks. The boatmen are quite jubilant.—*Honesdale Citizen*.” (*Carbondale Advance*, December 1, 1877, p. 3)

Published in 1898 in the *Carbondale Leader* is a very interesting article in which the troubled times of the 1870s are viewed from the perspective of 1898. That 1898 article in the *Carbondale Leader* is titled: “**RECORDS OF THE D. & H. / The United States Inventor** [sic, “Investor” was intended] **Again Touches upon the Finances of the Company.**” In their analysis of the finances of the D&H in the 1870s, the United States Investor noted: “Now let us glance at the matter of dividends. It is interesting to note that for fifty-six years the company paid cash dividends continuously, excepting in the four years, 1877 to 1880, inclusive [emphasis added]. In that time it has distributed \$61,800,000 cash, and \$5,000,000 of stock among its stockholders. / This is a remarkable record, and it is worthy of note that for a period of ten years preceding 1897 the stock did not sell below par. But the fatal year for Delaware & Hudson and for Lackawanna as well, was 1877 with its startling deficit of \$1,147,322, and in 1878 and 1879 deficits are also shown [emphasis added].” (*Carbondale Leader*, February 4, 1898)

The coal combination was re-established in January 1878, and the Delaware & Hudson Canal Company agreed to mine about 1,700,000 tons of the 20,000,000 tons prescribed. In the January 10, 1878 issue of the *Carbondale Leader*, we read: “The coal combination is at last a fixed fact—the terms having been agreed upon last week. Under the arrangement, the Delaware & Hudson Canal Company are to mine about 1,700,000 tons of the 20,000,000. The credit of this movement is due to Thomas Dickson, probably, more than to any other man. He has labored long and persistently for the accomplishment of the object; and has great faith in its entire feasibility. We shall see now whether his foresight and business judgment will be commended by the results. If it does accomplish what is claimed, it will be a great boon to the coal interests; and, as a consequence, a great help to the business interests of this region.” (*Carbondale Leader*, January 10, 1878, p. 3)

Labor/management relations in the anthracite fields of northeastern Pennsylvania, in the period 1876-July 1877, notably in the upper Lackawanna Valley were unsettled, but stable. There were disagreements between labor and management, to be sure, but there were no acts of violence committed by the strikers. Harmony prevailed.

(End of Part 6 of *Harmony and Disharmony in the Anthracite Coal Fields.*)

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